



# *Hess/Pick Kwik Industry Approach Revised Merchandising*

*Proposal*

*Accepted*

*Presented By*

*R. G. Reynolds Tobacco Company*

*August 1997*

*Revised 8/6/97*

*Proposed 8/6/97*  
*Accepted 8/6/97*  
*8/6/97*  
*8/6/97*

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## Revised Pick Kwik Proposal

*Topline of Programs discussed for transition to Level III\* Industry  
Approach with implementation September 6, 1997*

- *Monthly Retail Partners payment of \$375 per store.*
- *Monthly Retail Accrual allowance of \$264 per store.*
- *Full Price/Savings facings to be decided based on Philip Morris facings (see attachment A)*
- *Advertising inside and outside based on share of business (see Attachment B)*
- *RJR to match all Philip Morris discounting programs with equal participation on the part of Amerada Hess (matching funds).*

\* Level III contract includes RJR and one other manufacturer.

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## Revised Pick Kwik Proposal

- *Signature* Bonus Contract to be revised to \$.20 per carton for 36 month period meeting competition in lieu of \$26,000 bonus.
- *Signature* Addendum will also extend original contract to the year 2004
- Promotion of DORAL (\$.20/carton or higher) ongoing based on competition in the marketplace.
- *40% Kwik* \$55,000 in funding for outdoor advertising program (billboards). & dot pay. *40%*

*Imperial - 8/6/98*  
*Poffner*

*Charles D. 5/6/97*  
*C.S. Carter - 5/6/97*

*OK*  
*by DLU*

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